

SENATE BILL NO. 287—SENATOR HAMMOND

MARCH 15, 2023

Referred to Committee on Finance

SUMMARY—Revises provisions relating to the Nevada ABLE Savings Program. (BDR 38-871)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Contains Appropriation not included in Executive Budget.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to the Nevada ABLE Savings Program; creating the Transforming Opportunities for Toddlers and Students Grant Program within the Nevada ABLE Savings Program; requiring the State Treasurer to administer the Grant Program; authorizing the State Treasurer to adopt regulations relating to the Grant Program; making an appropriation; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes the State Treasurer to adopt regulations to establish and
2 carry out the Nevada ABLE Savings Program. The Program provides tax-
3 advantaged savings trust accounts to be created for persons who have certain
4 qualifying disabilities. (NRS 427A.889) **Section 4** of this bill creates the
5 Transforming Opportunities for Toddlers and Students Grant Program within
6 the Nevada ABLE Savings Program and requires the State Treasurer to administer
7 the Grant Program. **Section 4:** (1) provides that persons with certain disabilities
8 who are under 18 years of age and have an account established through the Nevada
9 ABLE Savings Program are eligible to apply for the Grant Program; and (2)
10 requires that an award from the Grant Program be deposited into the grant
11 recipient’s Nevada ABLE Savings Program account. **Section 6** of this bill
12 authorizes the State Treasurer to adopt regulations for the administration of the
13 Grant Program, including, without limitation, the application process for a grant
14 from the Grant Program.

15 Existing law authorizes the State Treasurer to: (1) delegate certain powers and
16 duties related to the Nevada ABLE Savings Program; and (2) contract with one or
17 more states to carry out the Program. (NRS 427A.890) **Section 7** of this bill
18 similarly authorizes the State Treasurer to delegate such powers and duties and to
19 enter into such contracts for the purposes of the Grant Program.



20 Existing law requires the State Treasurer to establish certain accounts for the
21 Nevada ABLE Savings Program. (NRS 427A.893) **Section 8** of this bill authorizes
22 the expenditure of the money in the Endowment Account for the purposes of the
23 Grant Program.

24 **Sections 2 and 3** of this bill define the terms “Grant Program” and “qualified
25 disability expenses” for the purposes of the Grant Program. **Section 5** of this bill
26 makes a conforming change to indicate the proper placement of **sections 2 and 3** in
27 the Nevada Revised Statutes.

28 **Section 9** of this bill makes an appropriation from the State General Fund to the
29 Endowment Account for the awarding of grants through the Grant Program.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 427A of NRS is hereby amended by
2 adding thereto the provisions set forth as sections 2, 3 and 4 of this
3 act.

4 **Sec. 2.** *“Grant Program” means the Transforming*
5 *Opportunities for Toddlers and Students Grant Program created*
6 *by section 4 of this act.*

7 **Sec. 3.** *“Qualified disability expenses” has the meaning*
8 *ascribed to it in the Achieving a Better Life Experience Act of*
9 *2014, 26 U.S.C. § 529A(e)(5), as amended.*

10 **Sec. 4. 1.** *The Transforming Opportunities for Toddlers*
11 *and Students Grant Program is hereby created within the Nevada*
12 *ABLE Savings Program.*

13 **2.** *The Grant Program shall be administered by the State*
14 *Treasurer.*

15 **3.** *Persons with disabilities who are under 18 years of age and*
16 *have an account established through the Nevada ABLE Savings*
17 *Program are eligible to apply for the Grant Program.*

18 **4.** *Upon approval from the Grant Program, the State*
19 *Treasurer shall deposit into the account of a recipient established*
20 *through the Nevada ABLE Savings Program the money awarded*
21 *to the recipient.*

22 **5.** *Money awarded through the Grant Program must be used*
23 *only for qualified disability expenses.*

24 **6.** *Any legislative appropriation for the Grant Program must*
25 *be deposited into the Endowment Account established pursuant to*
26 *NRS 427A.893.*

27 **Sec. 5.** NRS 427A.882 is hereby amended to read as follows:
28 427A.882 As used in NRS 427A.882 to 427A.896, inclusive,
29 *and sections 2, 3 and 4 of this act*, unless the context otherwise
30 requires, the words and terms defined in NRS 427A.884, 427A.885
31 and 427A.886 *and sections 2 and 3 of this act* have the meanings
32 ascribed to them in those sections.



1 **Sec. 6.** NRS 427A.889 is hereby amended to read as follows:

2 427A.889 1. The State Treasurer may adopt regulations to
3 establish and carry out the Nevada ABLE Savings Program to
4 comply with the requirements of a qualified ABLE program
5 pursuant to 26 U.S.C. § 529A, as amended.

6 2. The regulations must be consistent with the provisions of the
7 Internal Revenue Code set forth in Title 26 of the United States
8 Code, and any regulations adopted pursuant thereto, to ensure that
9 the Nevada ABLE Savings Program meets all criteria for federal
10 tax-deferred or tax-exempt benefits, or both.

11 3. The regulations must provide for the use of savings trust
12 agreements and savings trust accounts to apply distributions toward
13 qualified disability expenses in accordance with 26 U.S.C. § 529A,
14 as amended.

15 4. The regulations may include any other provisions not
16 inconsistent with federal law that the State Treasurer determines are
17 necessary for the efficient and effective administration of the
18 Nevada ABLE Savings Program and the Trust Fund, including,
19 without limitation:

20 (a) Procedures for the administration of the Nevada ABLE
21 Savings Program, including, without limitation:

22 (1) A procedure for enrolling in the Program;

23 (2) Procedures for a person to access information regarding a
24 savings trust account, including, without limitation, the balance in
25 the account;

26 (3) Methods and incentives to encourage contributions to a
27 savings trust account; and

28 (4) A procedure for distributions from a savings trust
29 account;

30 (b) Provisions for the charging and collection of administrative
31 fees and charges in connection with any transaction relating to the
32 Nevada ABLE Savings Program, including, without limitation, fees
33 or charges related to continued participation in the Program;

34 (c) *Procedures for the administration of the Grant Program,*
35 *including, without limitation, the application process for a grant*
36 *from the Grant Program.*

37 (d) A requirement that any money deposited in accordance with
38 a savings trust agreement, and any increase in the value thereof or
39 qualified withdrawal taken therefrom, is not subject to attachment,
40 levy or execution by any creditor of a contributor, account owner or
41 designated beneficiary and may not be used as security for a loan;

42 ~~(d)~~ (e) A requirement that any money deposited in accordance
43 with a savings trust agreement, and any increase in the value thereof
44 or qualified withdrawal taken therefrom, must not be used to
45 calculate the personal assets of a designated beneficiary or account



1 owner to determine eligibility for any disability, medical or other
2 health benefits administered by this State; and

3 ~~(e)~~ (f) A requirement that any money deposited in accordance
4 with a savings trust agreement, and any increase in the value thereof
5 or qualified withdrawal taken therefrom, must not be used to
6 calculate the personal assets of a designated beneficiary or account
7 owner to determine eligibility or need for any student loan program,
8 student grant program or any other student aid program
9 administered by this State, except as otherwise provided for in
10 federal law.

11 5. If the State Treasurer does not adopt regulations pursuant to
12 this section to establish and carry out the Nevada ABLE Savings
13 Program, the State Treasurer shall otherwise ensure that the Nevada
14 ABLE Savings Program is established and carried out pursuant to
15 NRS 427A.882 to 427A.896, inclusive ~~(f)~~, *and sections 2, 3 and 4*
16 *of this act.*

17 6. The State Treasurer may apply for and accept any gift, grant,
18 donation, bequest or other source of money to carry out the Nevada
19 ABLE Savings Program.

20 **Sec. 7.** NRS 427A.890 is hereby amended to read as follows:

21 427A.890 1. The State Treasurer may delegate any of its
22 administrative powers and duties specified in NRS 427A.882 to
23 427A.896, inclusive, *and sections 2, 3 and 4 of this act*, if the State
24 Treasurer determines that such delegation is necessary for the
25 efficient and effective administration of the Nevada ABLE Savings
26 Program and the Trust Fund.

27 2. In carrying out the provisions of NRS 427A.882 to
28 427A.896, inclusive, *and sections 2, 3 and 4 of this act*, the State
29 Treasurer may contract with one or more other states to:

30 (a) Provide for the administration of all or part of the Nevada
31 ABLE Savings Program by another state;

32 (b) Authorize the State Treasurer to administer all or part of a
33 qualified ABLE program of another state; or

34 (c) Jointly administer the Nevada ABLE Savings Program with
35 a qualified ABLE program of one or more other states.

36 **Sec. 8.** NRS 427A.893 is hereby amended to read as follows:

37 427A.893 1. The Trust Fund and any account established by
38 the State Treasurer pursuant to this section must be administered by
39 the State Treasurer.

40 2. In carrying out the provisions of NRS 427A.882 to
41 427A.896, inclusive, *and sections 2, 3 and 4 of this act*, the State
42 Treasurer may use any administrative or investment agreements or
43 arrangements used for the Nevada College Savings Program created
44 pursuant to NRS 353B.300 to 353B.370, inclusive, without



1 soliciting separate proposals for assistance with the management of
2 all or part of the Nevada ABLE Savings Program.

3 3. The State Treasurer shall establish such accounts as he or
4 she determines necessary to carry out his or her duties pursuant to
5 NRS 427A.882 to 427A.896, inclusive, *and sections 2, 3 and 4 of*
6 *this act*, including, without limitation:

7 (a) A Program Account in the Trust Fund; and

8 (b) An Administrative Account and an Endowment Account in
9 the State General Fund.

10 4. The Program Account must be used for the receipt,
11 investment and disbursement of money pursuant to savings trust
12 agreements.

13 5. The Administrative Account must be used for the deposit
14 and disbursement of money to administer and market the Nevada
15 ABLE Savings Program.

16 6. The Endowment Account must be used for the deposit of
17 any money received by the Nevada ABLE Savings Program
18 pursuant to subsection 6 of NRS 427A.889 or that is not received
19 pursuant to a savings trust agreement and, in the determination of
20 the State Treasurer, is not necessary for the use of the
21 Administrative Account. The money in the Endowment Account
22 may be expended for any purpose related to the Nevada ABLE
23 Savings Program, including, without limitation, for *the Grant*
24 *Program or* contributions to savings trust accounts, or in any other
25 manner which assists residents of this State who are eligible
26 individuals as defined in 26 U.S.C. § 529A, as amended.

27 **Sec. 9.** 1. There is hereby appropriated from the State
28 General Fund to the Endowment Account established pursuant to
29 NRS 427A.893 the sum of \$24,000,000 for the purpose of awarding
30 grants through the Transforming Opportunities for Toddlers and
31 Students Grant Program created by section 4 of this act.

32 2. Any remaining balance of the appropriation made by
33 subsection 1 must not be committed for expenditure after June 30,
34 2025, by the entity to which the appropriation is made or any entity
35 to which money from the appropriation is granted or otherwise
36 transferred in any manner, and any portion of the appropriated
37 money remaining must not be spent for any purpose after
38 September 19, 2025, by either the entity to which the money was
39 appropriated or the entity to which the money was subsequently
40 granted or transferred, and must be reverted to the State General
41 Fund on or before September 19, 2025.

42 **Sec. 10.** 1. This section becomes effective upon passage and
43 approval.

44 2. Section 6 of this act becomes effective:



- 1 (a) Upon passage and approval for the purpose of adopting any
2 regulations and performing any other preparatory administrative
3 tasks that are necessary to carry out the provisions of this act; and
4 (b) On January 1, 2024, for all other purposes.
- 5 3. Section 1 to 5, inclusive, 7, 8 and 9 of this act become
6 effective on January 1, 2024.

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